



# Pūrongo ā Tau Whakarāpopototanga 2023

Annual Report Summary 2023







# Ihirangi

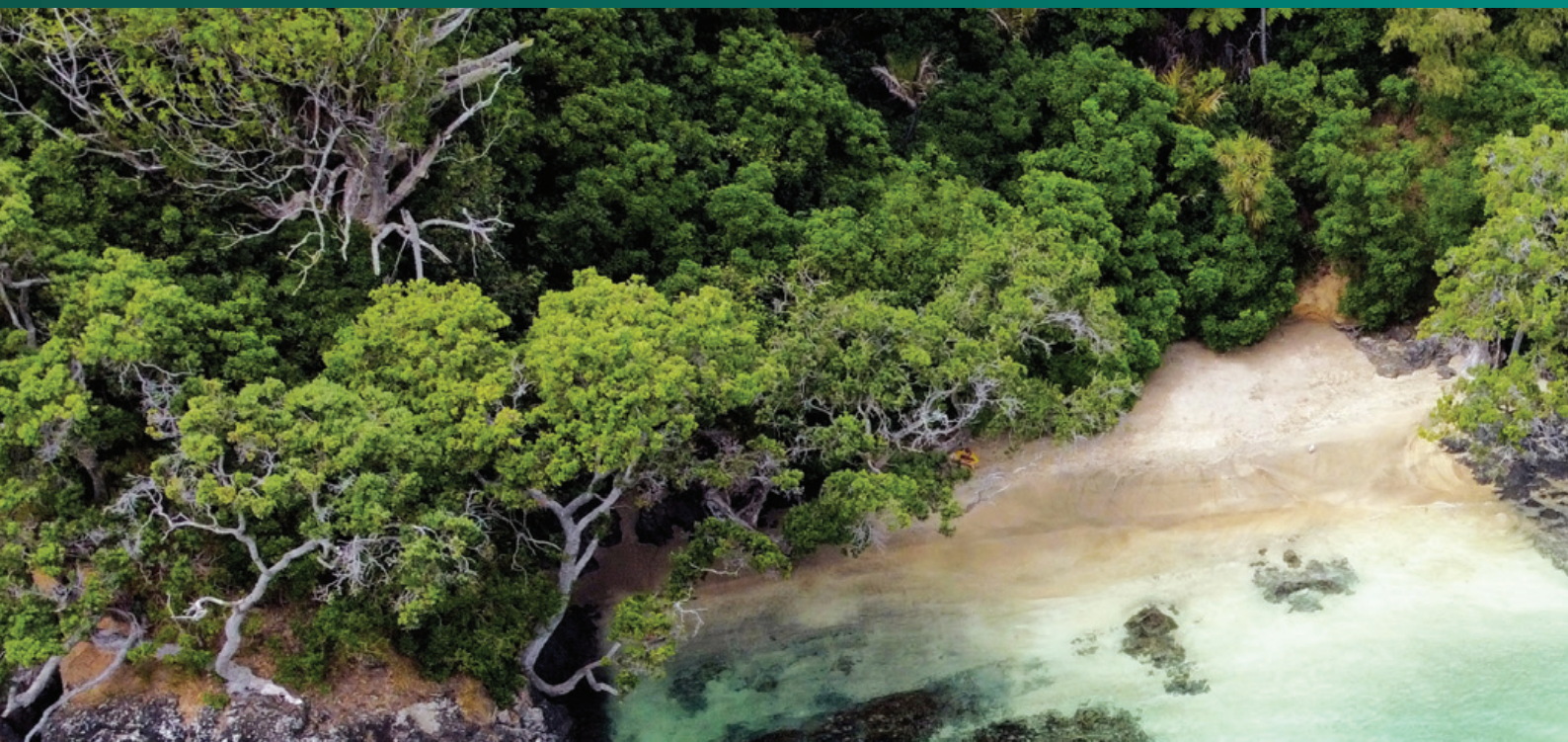
## Contents

<b>Kia ora and welcome</b>	<b>04</b>
<b>Ngā hua o - Highlights of 2022/23</b>	<b>06</b>
Natural environment	06
Community resilience	10
Regional leadership	12
<b>Tā mātou mahi whakarāpopoto - Summary of performance</b>	<b>16</b>
Natural environment	16
<b>Te whakarāpopoto o te pūrongo pūtea - Financial summary</b>	<b>18</b>
Actual Revenue	18
Actual Operational Spending	18
Statement of Comprehensive Revenue and Expense	19
Statement of Financial Position	19
Statement of Changes in Equity	20
Consolidated Statement of Cash Flows	20
Accounting Policies	20
Summary of Contingent Assets & Liabilities	21
<b>Auditors Report</b>	<b>22</b>



# Kia ora and welcome

He Kupu Whakataki nā te Heamana rāua ko te Tumuaki



Te Taitokerau has faced a raft of different challenges over the past year (July 2022 to June 2023) that have truly tested the resilience of our communities.

Through back-to-back cyclone and flood events we saw our roading and electricity networks disrupted, homes and businesses damaged, productive land and crops damaged, and people displaced. We've seen first-hand what an increase of extreme weather events might look like as we learn to adapt and live with climate change impacts, and we've seen the incredible determination and resilience of our people.

The climate crisis is our generation's biggest challenge, we must respond by transforming how our society and economy operate.

We're living in te ao hurihuri, the ever-changing world, where the historic and ongoing release of greenhouse gases is already altering the environment that supports us, threatening to cause severe social and environmental disruption. In the interests of unborn generations, our communities and our precious taonga, we must act now.

Our climate commitments are reflected in the two climate strategies we have adopted; Ngā Taumata o te Moana: our

strategy for tackling climate change, (adopted in July 2021) and Te Tai Tokerau Climate Adaptation Strategy (adopted by all four Northland councils in April 2022).

We've also worked hard over the past year to keep building resilience and support our communities through regional emergency management and recovery and flood risk reduction. Continuing this momentum in our mahi has been critical for the benefit of the taiao (environment) and our collective future – for freshwater health and protecting our native habitats.

Council also remains committed to building meaningful relationships that are reflective of a Te Tiriti o Waitangi partnership. We've worked proactively to strengthen, resource, and adapt structures and processes to develop appropriate approaches for iwi and hapū to engage with us and further develop enduring relationships. These relationships enable council to support the delivery of tangible benefits that build a resilient and prosperous region.

At the local body elections in October 2022, we formally introduced Te Raki, a new regional Māori constituency, with two dedicated members – new council Chair Tui Shortland



# *Ina tere ngā kapua, he hau kei muri*

## *Progress is built on applying shared values*



(the first wāhine Māori regional council Chair) and colleague Peter-Lucas Jones – joining council. Northland has shown true leadership by becoming the only region in New Zealand where all councils have adopted Māori constituencies/wards and representation and we're proud to have played a part in that.

The COVID-19 pandemic has continued to impact on the home and work lives of people globally over the past year and again we have not been spared from this. Council recorded almost 3800 hours (equivalent to more than 100 weeks) of COVID-19 sick leave over the year with spikes in July and November/December 2022 and May 2023. However, we have continued to be flexible and adaptable to ensure we focus on delivering our most important services to the high standards expected of us.

We've worked hard to deliver value to our ratepayers, being acutely aware that tough economic times has meant there have been real financial challenges and hardships across the rohe.

On the staff leadership front, October 2022 saw senior council manager Jonathan Gibbard officially take the reins as Northland Regional Council's new Tāhūhū Rangapū –

Chief Executive, replacing retiring CEO Malcolm Nicolson, who had led council since January 2012.

Our thanks to Mr Nicolson for his years of service which was recognised nationally in June 2023 when he was made a Member of the New Zealand Order of Merit in the King's Birthday Honours for services to local government and the community.

Lastly, our joint thanks to everyone in Te Taitokerau who has worked with us on our shared journey over the financial year, your mahi has helped to make our region the truly special place it is.



A stylized, handwritten signature in black ink.

**Jonathan Gibbard**  
Chief Executive Officer



A stylized, handwritten signature in black ink.

**Tui Shortland**  
Chair

# Ngā hua o 2022/23

## Highlights of 2022/23

### Cyclone Gabrielle

Cyclone Gabrielle was the worst storm event and largest response Northland has seen in decades. Response to this event required activation of all three district councils' Emergency Operations Centres, along with the Northland Regional Council's Emergency Coordination Centre. A Regional State of Emergency was also declared to support the response, with this later being superseded by a National State of Emergency. The response phase to Cyclone Gabrielle lasted two weeks and required a large amount of staff resource from not only the Civil Defence Emergency Management team but from teams across all Northland's councils, emergency services, critical infrastructure providers, and more. Recovery work from Cyclone Gabrielle is still ongoing. For events of the scale and impact of Cyclone Gabrielle, this period takes longer, involves more people, and requires more resources, including funding.

We responded to numerous weather events over the past year, with Northland experiencing its wettest year on record from July 2022 to June 2023.

### COVID-19

The COVID-19 pandemic has continued to impact on the home and work lives of people globally over the past year and again we have not been spared from this. Council recorded almost 3800 hours (equivalent to more than 100 weeks) of COVID-19 sick leave over the year with spikes in July and November/December 2022 and May 2023. We have continued to be flexible and adaptable to ensure we focus on delivering our most important services to the high standards expected of us.

### Skills shortages

Health and Safety, engineers, water scientists, Māori engagement and IT roles continue to be among the most difficult roles for us to fill, in part due to higher salaries on offer elsewhere.



## Natural environment

### Environmental science and monitoring

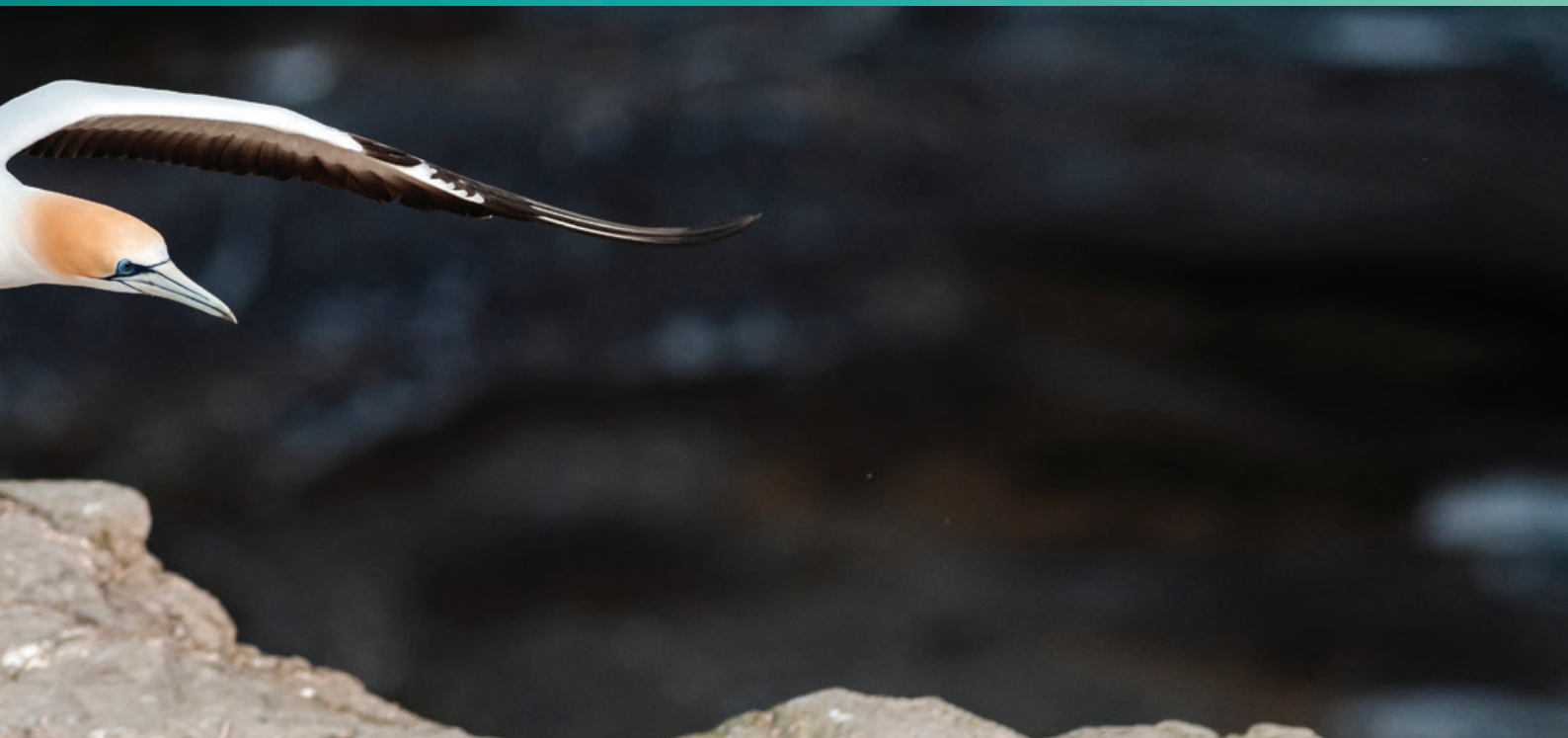
Our Natural Resources teams have been hard at work over the past 12 months with work including initiating catchment investigations in Ahipara, Bream Bay and Lake Taharoa and completing a report on a Raumanga catchment investigation.

We have also investigated what may have triggered a large algae bloom in the Whangārei Harbour during April 2023 and fine-tuned a flood forecasting model for Kaitaia, which can predict a major flood in the upper catchments above Kaitaia.

We've developed a digital river network for Northland using remote sensing data, meaning council now has the most accurately mapped rivers in New Zealand and successfully deployed 50 dissolved oxygen sensors in rivers across Northland to measure the health of our waterways.

We have also successfully implemented Safeswim, which is a predicative model developed by Auckland Council to warn swimmers of potential risk before they enter the water and begun operating a new radar system for tracking storms across Northland real time.





### **Kaipara Moana Remediation Programme**

In October 2020, the Ministry for the Environment, Kaipara Uri (Ngā Maunga Whakahii o Kaipara, Te Rūnanga o Ngāti Whātua, Te Uri o Hau), NRC and Auckland Council signed a Memorandum of Understanding to jointly protect and restore the mauri of the Kaipara Moana. Kaipara Moana Remediation (KMR) was subsequently formed to invest in projects with the long-term aim of halving sediment flows across the 6,000km<sup>2</sup> Kaipara Moana catchment.

As of 30 June 2023, KMR is 18 months into operational delivery. We have engaged with over a third of the landowners in the catchment, and contracted over 440 Sediment Reduction Plans covering 94,000 hectares. Under the Plans, more than 480kms of fencing and 950,000 native plants are either in the ground or contracted

### **Marine biosecurity**

In May 2023, haukainga of Te Rāwhiti identified the exotic *Caulerpa* species, *Caulerpa brachypus* and *Caulerpa parvifolia* within their rohe, two years after the species was first discovered in Aotea/Great Barrier Island. Once identification was formally confirmed, the Ministry for Primary Industries (MPI), and council along with local hapū,

initiated a response, which involves searching a wide area of the sea floor using teams of divers and the use of suction dredges to remove the invasive seaweed.

Hapū, council, and MPI have established a collaborative approach with the shared intention to eliminate *Caulerpa* in Te Rāwhiti. A rāhui and complementary Controlled Area Notice (CAN) has been imposed and an extensive effort has been made by council and NIWA dive teams to delimit and determine the extent of the population with chlorine-imbued benthic mats used to treat small, isolated patches of *Caulerpa* outside of the rāhui /CAN.

Meanwhile, our 2022–2023 hull surveillance season concluded with 2037 vessels inspected and all incidents responded to promptly and successfully.

### **Biosecurity partnerships**

The Biosecurity Partnerships Team works with communities to reduce established populations of pest animals and plants through the Biofund, Community Pest Control Area (CPCA), and High Value Area (HVA) programmes. Our stakeholders can conduct biosecurity mahi over differing landscape sizes, from relatively small (up to 100 ha; Biofund) to very large (20,000+ ha; HVA). During 2022–23, we awarded

# Ngā hua o 2022/23

## Highlights of 2022/23

62 Biofund grants, continued to fund 31 CPCAs, established two new CPCAs over a combined 1568ha, and maintained our resourcing of seven HVAs covering 130,608ha.

We also work within the Whangārei urban area to support community-led pest control through the Tiakina Whangārei programme. During 2022-23 we engaged with six Whangārei based schools, held or supported six community events, supported Pukenui Western Hills Forest Trust to increase pest control infrastructure across 70ha of native bush adjacent to the city, and coordinated the installation of 90ha of additional pest infrastructure within Parihaka Scenic Reserve.

### **Predator Free 2050 - Whangārei**

This programme is in its second year and has moved from a knock-down to a mop-up phase across 1500ha of Te Whara, Taurikura and surrounding farmland. Knock-down of pests has commenced on a further 1400ha, and preparation on a further 3700ha. Pre-elimination monitoring on 3100ha of the buffer area has also been completed with pleasingly low possum numbers reported across several of the blocks that will form the virtual barrier between Parua Bay village and Pataua North. More than 400 landowners have directly supported the project so far by allowing elimination work to be carried out on their land and by getting in behind the wider kaupapa.

### **Predator Free 2050 - Pewhairangi Whanui**

This programme spans the Purerua-Mataroa, Rākaumangamanga, and Russell Peninsulas. Predator Free Russell has received overwhelming community buy-in over the last year shown by almost 100% landowner support across the project area, along with rat catch numbers trending toward zero, and zero possum catches or detection over the last quarter. Servicing almost 6000 devices in the Old Russell Peninsula area and over 1200 devices in the Orongo Bay area, on 10-day cycles, they are now at the end of the knock-down phase and will be moving into a final mop-up phase soon.



### **Predator Free Purerua - Mataroa**

This programme has begun delivery of elimination mahi and is being delivered jointly by Kiwi Coast and Ngāti Rehia-Te Ahutai. Ngāti Torēhina kaumatua and kuia have provided tīkanga and guidance for the delivery of the project in the eastern zones, with Ngāti Rehia and Predator Free Taiao Lead designing and implementing the western zones mahi.

### **Predator Free Rākaumangamanga**

Project design and delivery of this programme is being led by Te Rawhiti 3B2 Ahu Whēnua Trust. Project plans and budgets have been completed and support in principle provided by Ngāti Kuta and Patukeha hapū. Progress to implementation has been delayed with the outbreak of the marine pest Caulerpa, which has involved many of the hapū team who are also leading the predator free mahi. Commencement of the elimination delivery is expected by late August.

### **Pest plants**

In addition to supporting the community led pest plant work in HVAs, CPCAs, and Biofund delivery, the pest plant team ran 12 workshops and attended 11 community events to help





encourage community action on pest plants and develop pest plant identification and control skills, as well as providing advice and support to hapū and other community groups.

Council also led the delivery of the National Wilding Conifer programme in Northland. Over the course of the year, more than 60,000 wilding pines were removed, primarily from dune, gumland and wetland habitats.

### **Regional Plan for Northland**

Appeals to the Proposed Regional Plan have been resolved through a number of Environment Court decisions over the last year including decisions relating to vehicles on beaches, marine protection and significant ecological areas. This means the Proposed Regional Plan is now very close to being operative with a final step being seeking approval from the Minister of Conservation for coastal provisions. The resolution of appeals has taken a significant amount of work over the last five years or so and is a major milestone for council – it also means more clarity and certainty in terms of the status of regional plan provisions.

### **Freshwater Plan**

Work continues on the Freshwater Plan change – this is a new set of policies and rules for the management of freshwater. It is a key part of council's response to the direction in 'Essential freshwater' from Central Government to improve the state of freshwater. Work to date has included publication of the 'baseline state' for lakes and rivers in Te Taitokerau (how our rivers and lakes compare with government measures for water quality and aquatic ecosystem health). A draft freshwater plan change is being developed through a series of workshops with council and representatives from the Te Taitokerau Māori and Council Working Party. It has also benefited from input from Tangata Whenua Water Advisory Group and Primary Sector Liaison Group. Engagement with our communities on the plan change will start in October 2023.

### **Environmental incidents**

For the year ending 30 June 2023, a total of 917 incidents were reported to our 24/7 Environmental Hotline. Of these 359 (40%) were air quality incidents, followed by 278 water quality; 155 land use; 74 coastal; 45 waste management and six water quantity incidents. Our monitoring officers made 497 site visits to investigate 453 confirmed breaches of a rule, national regulations or a resource consent.

### **Consents**

A total of 1158 consent application decisions were made during the financial year: 206 Coastal permits, 251 discharge permits, 234 land use consents and 467 water permits. There were no appeals on any decisions. An outstanding appeal on council's decision to grant a suite of consents to an applicant at Opua was determined by the Environment Court with council's decision being upheld. The public hearing for replacement consents by the Far North District Council for the continued operation of the Omapere and Kokukohu Wastewater treatment plants was held in May 2023. An Environment Court appeal on 24 groundwater take applications from the Aupouri Aquifer is ongoing.



# Ngā hua o 2022/23

## Highlights of 2022/23

### Community resilience

#### **Awanui Flood Scheme upgrade**

We have completed Year Three of the planned three-year accelerated works programme from Shovel Ready stimulus because of COVID-19. However, summer rain has considerably slowed progress and we have negotiated an extension of time with Kānoa – Ministry of Business, Innovation and Employment to complete the Awanui works in the new financial year ending July 2024. Design of the extensions to Quarry and Donald Road bridges is complete and procurement for these projects are progressing. We have planted more than 50,000 trees on the completed scheme upgrade areas, with local nursery and hapū employed as well as community planting days that included local schools.

#### **Otiria-Moerewa flood mitigation spillway and bridge**

Stage 1 of this project has been completed and Stage 2 Pokapu Bridge replacement is well underway. A final and third stage has been awarded and is being carried out at the same time as work on the bridge. It involves excavation of the remaining 800-metres of spillway and the eventual removal of the existing Pokapu Rd road bridge. We are expecting completion by Christmas 2023.

#### **Climate change resilience**

We acknowledge the urgent need to respond to the climate change crisis. We are living in te ao hurihuri, the ever-changing world, where the historic and ongoing release of greenhouse gases is already altering the environment that supports us, threatening to cause severe social and environmental disruption. In the interests of unborn generations, our communities and our precious taonga, we must act now.

Our climate commitments are reflected in the two climate strategies we have adopted; Ngā Taumata o te Moana: our strategy for tackling climate change, (adopted in July 2021) and Te Tai Tokerau Climate Adaptation Strategy (adopted by all four Northland councils in April 2022).

To enhance the delivery of both strategies we initiated a joint project to consolidate and align the implementation programme internally, but also with our partner councils. Establishing a clear and well considered climate programme allows us to focus on the areas that will result in the greatest change and help us prioritise our work. This project will also allow us to report regularly on our progress against our climate commitments.

#### **Looking ahead**

Northland communities are particularly exposed to climate change with many of our settlements, town centres, and roads sitting on coastal floodplains, exposed to sea level rise, and increased flooding. This year we have taken a fresh look at how we work to reduce flood risk across the region. We recognise that we are not able to protect everyone and everything and so we have set out a framework that will help us make robust, enduring, climate-resilient decisions together with affected communities. We have many roles to play in reducing flood risk – in planning rules, policy settings, emergency management, stopbanks and levees, hydrological data and monitoring, early warning systems and community adaptation planning. This approach will be consulted on and further developed in the upcoming long term plan.

In the emissions reduction realm, we have made significant progress in understanding our carbon footprint and set our baseline reporting period – the 2021/22 financial year. We are now in the process of formalising and adopting a corporate Emissions Reduction Plan that will set us short and longer term targets. To achieve those targets, work is commencing on formulating options for how we might reduce our footprint over time.

#### **Emergency management**

Work continues on a tsunami siren upgrade project, which will see the installation of 96 new tsunami warning sirens across the region. The project is being funded by all four of Northland's councils through their long-term plans, and with good progress being made in 2023, the project is set to be completed over the next two to three years.





Planning and stakeholder engagement for the development of a Multi-Agency Emergency Coordination Centre (MAECC) for Northland also continues. A MAECC will provide a central, purpose-built facility that will allow for improved collaboration between Civil Defence Emergency Management (CDEM) staff, emergency services and other agencies during responses.

### **Transport**

Passenger numbers on the CityLink Service have shown a positive upward trend, increasing from 283,364 in 2021/2022, to 349,755 in 2022/2023. The majority of additional passengers are schoolchildren.

Unfortunately, the number of incidents of antisocial behaviour both on the buses and at the bus terminus has not decreased. This has resulted in a decrease in the number of older people using the bus service and opting to use the Total Mobility Scheme instead. The once per week Hikurangi Link service currently operates a round trip

on a Thursday. After a request from the Hikurangi Business Association a trial Tuesday run will also be introduced in the first quarter of the 2023/2024 financial year. Similarly, the Bream Bay Link service also operates once per week on Thursdays. Due to passenger numbers, an additional service on a Tuesday is being investigated along with the feasibility of extending the route to include One Tree Point.

Far North Link/Mid North Link/Hokianga Link services continued to struggle to attract additional passengers during the year. However, for most that use them this is their lifeline to medical, social, and shopping services.

The Total Mobility Scheme in Whangārei has shown a marked increase in the number of clients registering and the number of trips taken. The Far North Total Mobility Scheme is in its infancy stage and continues to grow. The number of clients registered in 2021/2022 was 97 and this rose to 189 by June 2023.



# Ngā hua o 2022/23

## Highlights of 2022/23

### Regional Leadership

#### New CEO takes reins

October 2022 saw senior council manager Jonathan Gibbard officially take the reins as Northland Regional Council's new Tāhūhū Rangapū – Chief Executive. The new CEO was chosen from a shortlist of four applicants after a year-long intensive search. Mr Gibbard – who lives at Tūtūkākā with his partner and their son – replaced retiring CEO Malcolm Nicolson, who had led council since January 2012. In June 2023 Mr Nicolson was made a Member of the New Zealand Order of Merit in the King's Birthday Honours for services to local government and the community.

#### Local body elections

At the local body elections in October 2022, we formally introduced Te Raki, a new regional Māori constituency, with two dedicated members – new council Chair Tui Shortland (the first wāhine Māori regional council Chair) and colleague Peter-Lucas Jones – joining council. Our decision to include a Māori constituency was formally made in October 2021 and collectively Northland has shown leadership by becoming the only region in New Zealand where all councils have adopted Māori constituencies/wards and representation. Twenty-four nominations were received for the nine available positions on the council as a whole.

#### Building a Te Tiriti o Waitangi partnership with tangata whenua of Te Taitokerau

Council is committed to building meaningful relationships that are reflective of a Te Tiriti o Waitangi partnership. We are working proactively to strengthen, resource and adapt structures and processes to develop relevant responses for iwi and hapū to engage with council. These relationships enable council to deliver tangible benefits that build a resilient and prosperous region.



#### Adoption of Tāiki ē, Te Tiriti Strategy and implementation plan

Tāiki ē outlines 26 priority actions to be taken to achieve shared outcomes guided by council's Te Pae Tawhiti – Our Vision 2021 – 2031 and Te Taitokerau Māori and Council Committee (TTMAC) Strategic Intent Te Pae Tawhiti | Vision 2040 and Te Kaupapa | Mission Statement.

#### Te Tiriti o Waitangi organisational review

Council's Te Tiriti Health Check was included in the Long Term Plan 2021-2031 following input and advice from the tangata whenua caucus members of TTMAC. In September 2022 Buddle Findlay and Whāia Legal submitted a final report to council which measured council's performance against key benchmarks and resulted in a number of recommendations. These are incorporated into a regular review and update with the newly-established TTMAC as a key part of the long term plan and Tāiki ē implementation plan.



### **Te Taitokerau Māori and Council Working Party (TTMAC)**

The 2022-23 financial year saw the successful re-establishment of TTMAC, which consists of all nine councillors and 21 iwi and hapū representatives mandated by their respective iwi authorities and hapū entities co-chaired by Ngātihine representative, Pita Tipene and Councillor Marty Robinson. TTMAC is pivotal in achieving meaningful outcomes for the region.

### **Economic development**

A major focus of work for 2022/23 was supporting the Joint Regional Economic Development Committee (JREDC).

The JREDC was established by Northland Regional Council, Far North District Council and Kaipara District Council to work together on economic development related activities, including the joint shareholder responsibilities for Northland Inc and took effect in July 2021. A new joint committee was appointed after last year's local body elections. A major responsibility of the joint committee in the first half of 2023 was to appoint new directors to Northland Inc for terms beginning 01 July 2023. Four new directors were appointed to join the two directors whose terms were still continuing. The other major responsibility of the joint committee is to allocate funding from the Investment and Growth Reserve. An additional \$60,000 in funding was allocated to Northland Inc to continue its work in the primary sector in 2022/23, building on the E350 farm extension programme and other project-based work being led out by Northland Inc including peanut trials. This has been supported by a further \$150,000 in funding for 2023/24 for the Tuputupu Grow Northland Initiative. Key objectives of Tuputupu are to provide farmers with land-use optimisation advice and support the expansion of value-added processing of primary products in Northland.

A funding agreement was established with Te Tai Tokerau Water Trust to provide support for the construction of the Kaipara Water Scheme near Dargaville. Funding has been allocated from the Regional Projects Reserve to support both this scheme and a proposed mid-North scheme to be developed in 2023-25.

Northland Regional Council is committed to building meaningful relationships that are reflective of a Te Tiriti o Waitangi partnership.



# Ngā hua o 2022/23

## Highlights of 2022/23



### **Tū i te ora Scholarships 2023**

Six \$4000 scholarships designed to provide a springboard for future environmental leaders were awarded. We received more than 20 applications for the 'Tū i te ora Scholarships' which recognise, encourage and support students to undertake study, research or training that relates to our environment, whilst contributing to council's vision 'Our Northland – together we thrive'. This year the recipients will join council from November 2023 to February 2024 for workplace experience in the Governance and Engagement, Biosecurity, Community Resilience and Environmental Services departments. Winners were Ruby Crawford, Stephanie Membery, Jack Panoho, Malindi Reihana-Ruka, Te Karira (TK) Ruakere-Norris and Shavonne Toko.

### **Whakamānawa ā Taiao – Environmental Awards 2023**

Although our fifth annual awards ceremony was held in July 2023 (to align with Matariki) much of the work – including

the nomination process and judging – occurred in the 2022/23 financial year.

CBEC EcoSolutions was named the awards' 2023 Te Tohu Matua – Supreme Award winner demonstrating a strong ongoing commitment to reducing waste in Northland through its Community Compost Connection Programme. These awards – first held in 2019 – are an opportunity for Northlanders to be recognised and appreciated for their mahi across Te Taitokerau.

### **Land-based finfish farm**

In February 2023, investment partners council and NIWA declared practical completion of the core infrastructure and buildings of a new land-based aquaculture facility at Ruakākā, one promoting a more environmentally friendly future for the industry. NIWA provides the scientific know-how, specialist equipment and the product sales, marketing and restaurant distribution of the kingfish now





being grown there. Council supports the project through specific lease agreements on the building. When operating at full capacity, the facility is projected to sustainably produce up to 600 tonnes of harvest fish annually.

#### **Enterprise project roll-out**

Legislation has increased council's obligations around environmental work, information management, health and safety and data management. The result is Enterprise, the most significant digital project council has rolled out in the past decade. Both the Human Capital Management and Asset Management modules have now been implemented.

Implementation of the full Finance, Supply Management, Billing, Accounts Receivables, Expense Management and Timesheeting are in progress.

Whakamānawa ā Taiao  
Environmental Awards,  
first held in 2019, are an  
opportunity for Northlanders  
to be recognised and  
appreciated for their mahi  
across Te Taitokerau.



# Tā mātou mahi whakarāpopoto

## Summary of our performance

For more information, please refer to the full Annual Report 2023.

### **Te Taiao** Natural environment 10 out of 16 targets met



100%

Time that flood-level monitoring is accurate (to enable flood warnings to be developed) and is made available to the community.

8440

Subsidised poplar poles were provided for erosion-prone land by the council-owned nursery.

16,838

Plants provided through the CoastCare Programme.

100%

Council environmental networks monitored for water quality and quantity, and ecology, with results made available to the community.

2037

hulls were surveyed for marine pests.

99.7%

Of all resource consent applications were processed within statutory timeframes.



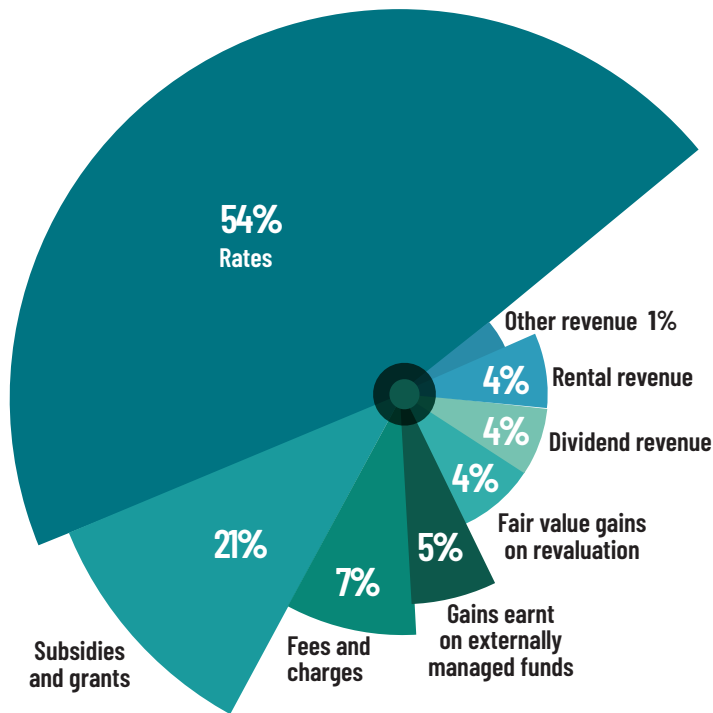




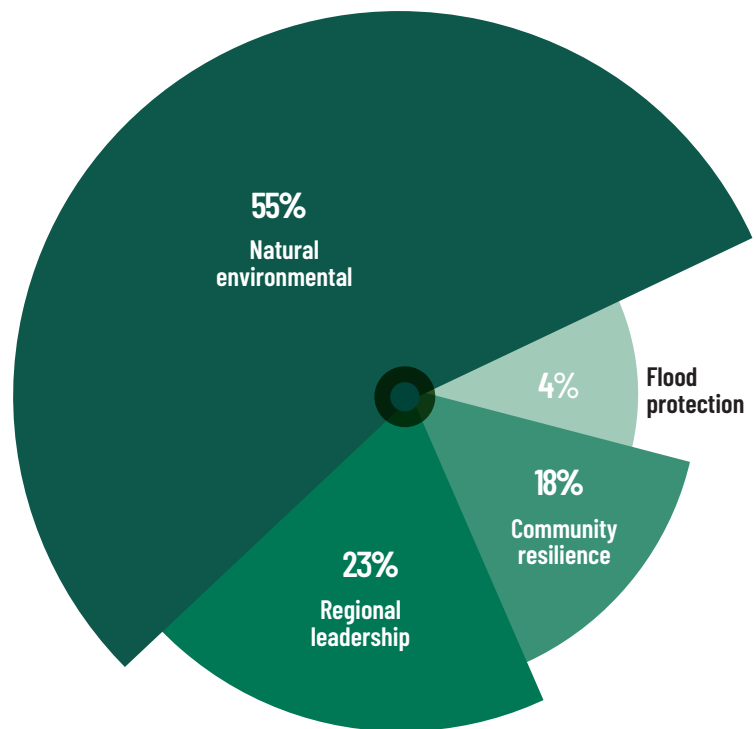
# Te whakarāpopoto o te pūrongo pūtea

## Financial summary

**\$81M Actual Revenue**



**\$69M Actual Operational Spending**



**Council's total expenses for 2022-23 financial year was \$942k less than its 2022-23 Annual plan, predominantly due to:**

- » Lower than budgeted operational expenditure resulting from delays in staff recruitment and a number of operational activities. \$552k of the 2022-23 underspend has been set aside as funding in the 2023-24 financial year to ensure a range of committed projects and work programmes can be completed.

**Council's revenue for 2022-23 financial year was \$6.75M more than its 2022-23 Annual Plan, mainly due to:**

- » Unbudgeted gains on the annual revaluation of council property, infrastructure and forestry assets.
- » Unbudgeted central government subsidies received for a range of environmental and infrastructural projects.
- » Higher than budgeted rates revenue, and higher than budgeted interest revenue generated from council's term deposits and cash holdings.
- » Higher than budgeted Pilotage, monitoring and consenting revenues.

Partially offset by: » Gains not eventuating as anticipated on council's externally managed fund portfolio.

### Other budget variations

- » Council's current assets are higher than its 2022-23 Annual Plan predominantly due to a higher level of term deposits held as part of a de-risking strategy on council's long term fund.
- » Council's non-current assets are higher than its 2022-23 Annual Plan predominantly due to revaluations on investment property and infrastructure assets not budgeted for in the Annual Plan.
- » Council's current liabilities are higher than the 2022-23 Annual Plan as council received a higher than planned level of revenue in advance for works not yet undertaken.
- » Council's non-current liabilities are lower than the 2022-23 Annual Plan as lower than planned borrowings were required to fund the implementation of the enterprise project, the construction of council's maritime vessel and flood protection scheme projects. Furthermore loans were not drawn down as anticipated for the construction of the CDEM building as this project had not commenced during the year.

## Statement of Comprehensive Revenue and Expense

For the year ended	Council 30 Jun 23 \$000	Annual Plan 30 Jun 23 \$000	Council 30 Jun 22 \$000	Consolidated 30 Jun 23 \$000	Consolidated 30 Jun 22 \$000
<b>REVENUE</b>					
Operating revenue (excluding share of associate and joint venture company surplus and rates)	37,413	31,381	39,455	44,475	47,892
Rates	43,515	42,795	38,605	43,515	38,605
<b>Total revenue</b>	<b>80,928</b>	<b>74,176</b>	<b>78,060</b>	<b>87,990</b>	<b>86,497</b>
<b>EXPENDITURE</b>					
Operating expenses (excluding finance expense)	68,325	68,720	63,000	77,529	70,084
Finance costs	555	1,102	528	2,180	1,516
<b>Total expenditure</b>	<b>68,880</b>	<b>69,822</b>	<b>63,528</b>	<b>79,709</b>	<b>71,600</b>
Share of associate and joint venture company surplus	51	-	(145)	8,186	8,287
Income tax	-	-	-	(25)	168
<b>SURPLUS/(DEFICIT) AFTER TAX</b>	<b>12,099</b>	<b>4,354</b>	<b>14,387</b>	<b>16,442</b>	<b>23,352</b>
Attributable to:	-	-	-	-	-
Northland Regional Council	12,099	4,354	14,387	12,784	17,345
Non-controlling interest	-	-	-	3,658	6,007
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE - Financial assets at fair value through other comprehensive revenue and expense</b>					
Gains/(loss) on property revaluations (other than investment properties)	282	-	2,477	(5,962)	10,509
Gains/(loss) on carbon credit revaluation	(629)	-	568	(629)	568
Gains/(loss) on infrastructure asset revaluation	2,559	-	1,547	2,559	1,547
Net hedging movement	-	-	-	423	1,346
<b>Total other comprehensive revenue and expense</b>	<b>2,212</b>	<b>-</b>	<b>4,592</b>	<b>(3,609)</b>	<b>13,970</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>14,311</b>	<b>4,354</b>	<b>18,979</b>	<b>12,833</b>	<b>37,322</b>
Attributable to:	-	-	-	-	-
Northland Regional Council	-	-	-	11,876	26,964
Non-controlling interest	-	-	-	957	10,358
	-	-	-	<b>12,833</b>	<b>37,322</b>

## Statement of Financial Position

As at:	Council 30 Jun 23 \$000	Annual Plan 30 Jun 23 \$000	Council 30 Jun 22 \$000	Consolidated 30 Jun 23 \$000	Consolidated 30 Jun 22 \$000
Current assets	27,631	25,319	34,461	28,304	35,106
Non-current assets	230,574	217,972	205,855	418,611	398,409
<b>TOTAL ASSETS</b>	<b>258,205</b>	<b>243,291</b>	<b>240,316</b>	<b>446,915</b>	<b>433,515</b>
Current liabilities	(15,284)	(9,973)	(15,466)	(16,405)	(24,846)
Non-current liabilities	(18,672)	(32,185)	(14,912)	(52,844)	(40,772)
<b>TOTAL LIABILITIES</b>	<b>(33,956)</b>	<b>(42,158)</b>	<b>(30,378)</b>	<b>(69,249)</b>	<b>(65,618)</b>
<b>NET ASSETS/EQUITY</b>	<b>224,249</b>	<b>201,133</b>	<b>209,938</b>	<b>377,666</b>	<b>367,897</b>



# Te whakarāpopoto o te pūrongo pūtea

## Financial summary

### Statement of Changes in Equity

For the year ended	Council 30 Jun 23 \$000	Annual Plan 30 Jun 23 \$000	Council 30 Jun 22 \$000	Consolidated 30 Jun 23 \$000	Consolidated 30 Jun 22 \$000
<b>OPENING BALANCE</b>	209,938	196,779	190,959	367,897	333,880
Total comprehensive revenue and expense for the year	14,311	4,354	18,979	12,833	37,322
Dividends paid	-	-	-	(3,064)	(3,305)
<b>CLOSING EQUITY</b>	<b>224,249</b>	<b>201,133</b>	<b>209,938</b>	<b>377,666</b>	<b>367,897</b>
Attributable to:					
Northland Regional Council	224,249	201,133	209,938	302,245	290,369
Non-controlling Interest	-	-	-	75,421	77,528
	<b>224,249</b>	<b>201,133</b>	<b>209,938</b>	<b>377,666</b>	<b>367,897</b>
<b>COMPONENTS OF EQUITY</b>					
Accumulated funds	158,976	149,673	139,015	199,702	179,056
Asset revaluation reserve	9,212	3,973	7,000	45,859	46,994
Hedging reserve	-	-	-	623	396
Special reserves	56,061	47,487	63,923	56,061	63,923
Minority interest	-	-	-	75,421	77,528
	<b>224,249</b>	<b>201,133</b>	<b>209,938</b>	<b>377,666</b>	<b>367,897</b>

In the summary financial statements the "council" column includes the Northland Regional Council. The "consolidated" column includes Marsden Maritime Holdings Limited. The summary financial statements are presented in New Zealand dollars rounded to the nearest thousand dollars (\$000), unless otherwise stated.

### Consolidated Statement of Cash Flows

For the year ended	Council 30 Jun 23 \$000	Annual Plan 30 Jun 23 \$000	Council 30 Jun 22 \$000	Consolidated 30 Jun 23 \$000	Consolidated 30 Jun 22 \$000
Net cash from operating activities	5,081	(1,372)	15,539	10,467	22,553
Net cash from investing activities	(6,532)	(15,240)	(18,996)	(9,411)	(32,943)
Net cash from financing activities	4,400	13,596	-	1,736	4,295
<b>Net increase/(decrease) in cash, cash equivalents and bank overdrafts</b>	<b>2,949</b>	<b>(3,016)</b>	<b>(3,457)</b>	<b>2,792</b>	<b>(6,095)</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year	4,528	3,889	7,985	4,758	10,853
<b>Closing cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>7,477</b>	<b>873</b>	<b>4,528</b>	<b>7,550</b>	<b>4,758</b>

### Accounting Policies

Northland Regional Council is a local authority governed by the Local Government Act 2002 and the Local Government (Rating) Act 2002. It's domiciled and operates in New Zealand.

Audited statements of the council and group for the 12 months to 30 June 2023 have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local

Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The council has designated itself and the group as Tier 1 Public Benefit Entities (based on size). The summary financial statements have been prepared in accordance with Tier 1 Public

Benefit Entity (PBE) accounting standards, as they relate to summary financial statements, and comply with Public Benefit Entity Financial Reporting Standard 43 (FRS43) Summary Financial Statements. The full financial statements of the council comply with PBE accounting standards.

The Annual Report Summary has been audited for consistency with the full Annual Report and the audit opinion issued by Deloitte on behalf of the Auditor-General is included in this document. The full Annual Report received an unmodified Audit Report and was adopted by council on 26 September 2023.

In this summary "council" refers to Northland Regional Council only. The terms "consolidated" and "group" refer to Northland Regional Council and Marsden Maritime Holdings Limited (53.61% owned).

All entities are incorporated and domiciled in New Zealand.

**In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes PBE IPSAS 29 Financial Instruments Recognition and Measurement. The main changes are:**

- » New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- » A new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses.
- » Revised hedge accounting requirements to better reflect the management of risks.

In accordance with the transitioning provisions in PBE IPSAS 3, the Council and group have elected not to restate the comparative information associated with the transition to PBE IPSAS 41 as the impact was considered immaterial. The prior period adjustments arising from the adoption of PBE IPSAS 41 are recognised in the current year.

**The accounting policies for the year ended 30 June 2023 that have been updated to comply with PBE IPSAS 41 relate to:**

- » **Current Receivables** – This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.

- » **Other financial assets** – This policy has been updated to reflect the new financial asset classification categories, however the recognition and measurement of the council and groups financial instruments remain unchanged.

### **Related party transactions**

As all council transactions with related parties are within a normal supplier or client/recipient relationship and are all arms-length transactions, there are no related party transactions that require disclosure.

## **Summary of Contingent Assets & Liabilities**

### **Contingent assets**

As at the 30 June 2023 the council and group has no contingent assets.

### **Contingent liabilities**

At year end, council was involved in a shared cost arrangement to fund 50% of the costs arising from a subdivision that is subject to the construction of a rail spur connecting the main trunk line to Marsden Point.

Council is a guarantor of the New Zealand Local Government Funding Agency (NZLGFA). As part of the arrangement council has guaranteed the debt obligations of the LGFA along with other guaranteeing shareholders and participants of the LGFA in proportion to its level of rates revenue. At 30 June 2023, the NZLGFA had borrowings totalling \$17,684m (2021: \$15,798m).

### **Breach of legislation**

No significant breaches of legislation during the year.

### **Events after balance date**

Subsequent to balance date, Marsden Maritime Holdings Limited declared a fully imputed dividend of 7.5 cents per share to be paid on 29 September 2023.

In September 2023, one investment property purchase agreement settled.

There were no other significant events after balance date.



## Independent Auditor's Report

### To the Readers of Northland Regional Council's Summary of the Annual Report for the year ended 30 June 2023

The summary of the annual report was derived from the annual report of the Northland Regional Council (the Regional Council) for the year ended 30 June 2023

The summary of the annual report comprises the following summary statements on pages 16 to 21:

- the summary Council and Consolidated Statement of Financial Position as at 30 June 2023;
- the summaries of the Council and Consolidated Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2023;
- the Disclosures to the Summary Financial Statements; and
- the summary Statement of Service Performance of the Regional Council.

### Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

### Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

### The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2023 in our auditor's report dated 27 September 2023.

### Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.



## Independence

We are independent of the Regional Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit we have carried out assurance engagements with respect to a limited assurance report pursuant to the Council's Trust Deed, and maintenance of the register of security stock. We have also performed an agreed procedures report in relation to the Kaipara Moana Remediation project, and a review of certain rates revenue collection processes and controls. These services have not impaired our independence as auditor of the Council. Other than these engagements we have no relationship with or interests in the Regional Council or its subsidiaries and controlled entities.

A handwritten signature in blue ink, appearing to read "B. Greyling".

Bennie Greyling,  
**for Deloitte Limited**  
**On behalf of the Auditor-General**  
**Auckland, New Zealand**  
27 September 2023



P 0800 002 004  
E [info@nrc.govt.nz](mailto:info@nrc.govt.nz)  
W [www.nrc.govt.nz](http://www.nrc.govt.nz)

